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Special Counsel to Richard A. Marshack,
Trustee of the LPG Liquidation Trust

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION

In re:

The Litigation Practice Group P.C.,
Debtor.

Richard A. Marshack, Trustee of the LPG
Liquidation Trust.

Plaintiff.

Spot On Consulting, Inc., a California corporation; Eric Martinson, a California resident; Jesse Martinson, a California resident, and Rachel Elgas, a Missouri resident

Defendants

| Chapter 11

Case No. 8:23-bk-10571-SC
Adv. Proc. No.

COMPLAINT FOR:

- (1) AVOIDANCE, RECOVERY, AND PRESERVATION OF PREFERENTIAL TRANSFERS MADE TO OR FOR THE BENEFIT OF DEFENDANTS WITHIN NINETY DAYS OF THE PETITION DATE;**
- (2) AVOIDANCE, RECOVERY, AND PRESERVATION OF POST-PETITION TRANSFERS MADE TO OR FOR THE BENEFIT OF DEFENDANTS AFTER THE PETITION DATE;**
- (3) AVOIDANCE, RECOVERY, AND PRESERVATION OF TRANSFERS 2-YEAR ACTUAL FRAUDULENT TRANSFERS;**
- (4) AVOIDANCE, RECOVERY, AND PRESERVATION OF 2-YEAR CONSTRUCTIVE FRAUDULENT TRANSFERS;**

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**(5) AVOIDANCE, PRESERVATION, AND
RECOVERY OF VOIDABLE TRANSFERS
MADE WITH INTENT TO DEFRAUD [11
U.S.C. §§ 544, 550, 551; CAL. CIV. CODE §§
3439.04(a)(1) AND 3439.07];**

**(6) AVOIDANCE, PRESERVATION,
AND RECOVERY OF VOIDABLE
TRANSFERS MADE WITH NO INTENT
TO DEFRAUD [11 U.S.C. §§ 544, 550, 551;
CAL. CIV. CODE §§ 3439.04(a)(2), 3439.05,
AND 3439.07];**

**(7) AIDING AND ABETTING
FRAUDULENT CONVEYANCES**

Honorable Scott C. Clarkson
Dept. 5C

For his *Complaint for (1) Avoidance, Recovery, and Preservation of Preferential Transfers Made to or for the Benefit of Defendants within Ninety Days of the Petition Date; (2) Avoidance, Recovery, and Preservation of Post-Petition Transfers Made to or for the Benefit of Defendants after the Petition Date; (3) Avoidance, Recovery, and Preservation of Transfers 2-Year Actual Fraudulent Transfers; (4) Avoidance, Recovery, and Preservation of 2-Year Constructive Fraudulent Transfers; (5) Avoidance, Preservation and Recovery of Voidable Transfers Made with Intent to Defraud [U.S.C. §§ 544, 550, 551; CAL. CIV. Code §§ 3439.04(a)(1) and 3439.07]; (6) Avoidance, Preservation, and Recovery of Voidable Transfers Made with no Intent to Defraud [11 U.S.C. §§ 544, 550, 551; CAL. CIV. Code §§ 3439.04(a)(2), 3439.05, and 3439.07]; and (7) Aiding and Abetting (“Complaint”),* plaintiff Richard A. Marshack, Trustee of the LPG Liquidation Trust (“Trustee” or “Plaintiff”) for the bankruptcy estate (“Estate”) of debtor The Litigation Practice Group P.C. (“Debtor” or “LPG”), in the above-captioned bankruptcy case (“Bankruptcy Case”), alleges as follows:

STATEMENT OF JURISDICTION, NATURE OF PROCEEDING, AND VENUE

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 157(b)(2)(A), (E), (H) and (O), 1334(b), and General Order No. 13-05 of the District Court for the Central District of California because this is a core proceeding arising in and/or related to the Bankruptcy Case, which is a case under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”), and which is

1 pending in the United States Bankruptcy Court for the Central District of California, Santa Ana
2 Division (“Bankruptcy Court”).

3 2. Regardless of whether this proceeding is core, non-core, or otherwise, Plaintiff
4 consents to the entry of a final order and judgment by the Bankruptcy Court.

5 3. Defendant is notified that Rule 7008 of the Federal Rules of Bankruptcy Procedure
6 requires Defendant to plead whether consent is given to the entry of a final order and judgment by the
7 Bankruptcy Court.

8 4. Venue of this adversary proceeding properly lies in this judicial district pursuant to 28
9 U.S.C. § 1409(a) because this proceeding is related to Debtor’s pending Bankruptcy Case.

10 **THE PARTIES**

11 5. Plaintiff, Richard A. Marshack, is the Trustee of the LPG Liquidation Trust.

12 6. Debtor is, and at all material times was, a professional corporation organized, existing,
13 and in good standing under the laws of the State of California, with its principal place of business in
14 Tustin, California.

15 7. Defendant, Spot On Consulting, Inc. (“Spot On”), is, and at all material times was, a
16 corporation existing under the laws of the State of California.

17 8. Defendant Eric Martinson (“Eric”) is, and at all material times was, an individual
18 residing in the State of California.

19 9. Defendant Jesse Martinson (“Jesse”) is, and at all material times was, an individual
20 residing in the State of California.

21 10. Defendant Rachel Elgas (“Elgas”) is, and at all material times was, an individual
22 residing in the state of Missouri.

23 11. On information and belief, Eric and Elgas at all material times were principals and
24 officers of Spot On.

25 12. Spot On may be served by first class mail postage prepaid upon an officer, managing
26 or general agent at 1560 Ambersweet Drive, Corona, CA 92881.

27 13. Eric may be served by first class mail potage prepaid at 1560 Ambersweet St., Corona,
28 CA 92881.

1 14. Jesse may be served by first class mail postage prepaid at 594 Grand Haven Cir. Costa
2 Mesa, CA 92626.

3 15. Elgas may be served by first class mail postage prepaid at 8181 County Road 1017,
4 Auxvasse, MO 65231.

5 **RELEVANT DEFENDANT NAMED IN THE 1046 ACTION¹**

6 16. Tony Diab is, and at all times mentioned was, an individual residing in the State of
7 California. Diab operated, dominated, and controlled LPG, a national debt relief law firm.

8 **GENERAL ALLEGATIONS**

9 A. **The Bankruptcy Case**

10 17. On March 20, 2023 (“Petition Date”), Debtor filed a voluntary petition for relief under
11 Chapter 11 of the Bankruptcy Code, commencing the Bankruptcy Case.

12 18. The Office of the United States Trustee (“UST”) filed its *Motion by United States
13 Trustee to Dismiss or Convert Case Pursuant to 11 U.S.C. § 1112(b)* [Bankr. Docket No. 21] and
14 creditors Debt Validation Fund II, LLC; MC DVI Fund 1, LLC; and MC DVI Fund 2, LLC filed the
15 *Motion by DVF and MC DVI to Dismiss Chapter 11 Case Pursuant to 11 U.S.C. §§ 105, 305, 349, &
16 1112, or in the Alternative Convert This Case to Chapter 7 or Appoint a Trustee* [Bankr. Docket No.
17 44]. On May 4, 2023, the Court entered its *Order Directing United States Trustee to Appoint Chapter
18 11 Trustee* [Bankr. Docket No. 58].

19 19. Pursuant to the *Acceptance of Appointment as Chapter 11 Trustee* [Bankr. Docket No.
20 63], on May 8, 2023, Trustee accepted his appointment as the Chapter 11 Trustee in the Bankruptcy
21 Case. The Court approved the Trustee’s appointment in its *Order Approving the U.S. Trustee’s
22 Application for the Appointment of a Chapter 11 Trustee* [Docket No. 65].

23 20. Trustee was not appointed until after events of the case and, therefore, bases these
24 allegations on information and belief. *Soo Park v. Thompson*, 851 F.3d 910, 928 (9th Cir.
25 2017) (“The *Twombly* plausibility standard . . . does not prevent a plaintiff from pleading facts alleged
26 upon information and belief where the facts are peculiarly within the possession and control of the

27 28 ¹ On May 25, 2023, the Trustee filed an adversary complaint against a number of Debtor’s insiders and
fraudulent transferees seeking avoidance of transfers and damages. See Adv. Case No. 8:23-ap-01046
(the “1046 Action”). [Bankr. Docket No. 63.] The 1046 Action remains pending.

1 defendant or where the belief is based on factual information that makes the inference of culpability
2 plausible.”); *Miller v. City of Los Angeles*, 2014 U.S. Dist. LEXIS 198871, 2014 WL 12610195, at *5
3 (C.D. Cal. Aug. 7, 2014) (recognizing that the plaintiff’s “information and belief” pleading was
4 allowed and “necessary at times”); *see also Mireskandari v. Daily Mail and General Trust PLC*, 2013
5 U.S. Dist. LEXIS 194437, 2013 WL 12129642, at *4 (C.D. Cal. July 31, 2013) (“The Federal Rules
6 of Civil Procedure allow parties to plead facts on ‘information and belief’ if the facts ‘will likely have
7 evidentiary support after a reasonable opportunity for further investigation or discovery.’” (citations
8 omitted)).

9 21. Pursuant to the *Order Confirming Modified First Amended Joint Chapter 11 Plan of*
10 *Liquidation* entered September 9, 2024, and the *Notice of Occurrence of Effective Date of Modified*
11 *First Amended Joint Chapter 11 Plan of Liquidation* filed September 24, 2024, Richard A. Marshack
12 became the Liquidating Trustee of the LPG Liquidation Trust, effective September 24, 2024. [Bankr.
13 Docket Nos. 1646 & 1762].

14 22. All claims have been transferred to the Liquidating Trust pursuant to the confirmed
15 plan and Plaintiff brings this action solely in his capacity as the Liquidating Trustee of the LPG
16 Liquidation Trust, for the benefit of Debtor’s Estate and its creditors.

17 **B. Protective Order**

18 23. On or about May 2, 2024, Plaintiff filed that certain Notice and Motion for Entry of
19 Protective Order (the “Protective Order”).

20 24. On June 3, 2024, the Court entered its *Order Granting Motion for Entry of Protective*
21 *Order and the Protective Order* [Bankr. Docket No. 1270] (the “Protective Order”). A true and
22 accurate copy of the Protective Order is attached as **Exhibit 1**, and incorporated herein.

23 25. By its own terms, the Protective Order applies to this adversary proceeding and governs
24 all discovery conducted herein.

25 **C. LPG’s Ownership and Management**

26 26. Prior to the Petition Date, LPG operated a law firm for consumers across the country
27 who sought assistance in contesting or resolving debts. LPG serviced over 65,000 customers across
28 the United States. At all relevant times, LPG was controlled and operated by the individual named

1 Tony Diab (“Diab”).

2 27. The consumers that retained LPG to represent them would pay LPG over a period of
3 time via monthly ACH debits from their bank accounts.

4 28. The monthly payments were meant to cover all legal services LPG provided to the
5 consumers including validation of the debts, review of documents to determine enforceability, and
6 court appearances to halt lawsuits to obtain judgments.

7 29. In certain instances, LPG would file a lawsuit in an effort to eliminate a disputed debt
8 or to prosecute affirmative claims held by the consumers.

9 30. LPG mismanaged the consumers’ monthly payments.

10 31. Diab and other defendants devised a plan to fraudulently transfer funds, client files,
11 client funds and assets in the form of ACH Receivables (the “ACH Receivables” or “Accounts
12 Receivable”) out of LPG to third parties prior to the filing of bankruptcy.

13 32. To obtain consumer clients, LPG contracted with marketing companies, who engaged
14 in illegal capping and would advertise or call to solicit consumers to become clients of LPG in
15 exchange for a percentage of the ACH Receivables collected by LPG from the consumers. The
16 marketing affiliate went so far as to assist with the execution of an engagement letter between the
17 consumer and LPG.

18 33. In exchange, LPG agreed to pay the marketing affiliates a percentage the monthly
19 payments collected by LPG from the consumers.

20 34. Because LPG received payments from consumers over time, it often sought financing
21 by borrowing against its future cash flows. This borrowing was not only used to finance operations at
22 LPG, but also to pay the fees owed to the marketing companies for providing the client referrals.

23 35. Many of the documents executed in connection with such financing described the
24 transactions as accounts receivable purchase agreements.

25 36. LPG also purported to “sell” the rights to these Accounts Receivable following
26 collection by LPG to outside investors in exchange for liquidity. LPG frequently “sold” the Accounts
27 Receivable from the same client files to multiple parties.

28 37. By August of 2022, LPG’s need for capital was so severe that it began borrowing funds

1 through Defendant Spot On. Upon information and belief, Spot On would facilitate loans to LPG from
2 individuals and corporations – sometimes for as little as \$5,000 – in exchange for a ten percent (10%)
3 commission on the principal amount of the loan. LPG would then typically promise to pay each lender
4 as much as eight percent (8%) interest per month on the principal balance for twelve months and would
5 then repay the original principal amount at maturity.

6 38. Upon further information and belief, LPG borrowed hundreds of thousands of dollars
7 each week on these terms beginning in August 2022 and continuing until filing for bankruptcy.

8 39. Proof of Claim No. 108, seeking more than \$66 million dollars, has been filed based
9 on the outstanding balances owed on these brokered “loans”. This Proof of Claim is incorporated by
10 reference herein.

11 40. As evidenced by its substantial borrowing through brokered loans and alleged sales of
12 Accounts Receivable to lenders and “investors,” LPG’s need for cash was constant as it had (i) to pay
13 marketing affiliates for past referrals and keep new referrals being made, (ii) to pay “returns” to
14 investors who purportedly purchased sets of Accounts Receivable or funded the continued operation
15 of the Debtor and related entities, and (iii) to pay the substantial salaries to, personal expenses of, and
16 distributions to its management and other insiders.

17 41. This constant borrowing to pay off prior investors and obligations coupled with the
18 alleged sale of the same assets to different entities is classic evidence of a Ponzi scheme.

19 42. Diab used entities he controlled including, without limitation, Vulcan Consulting, LLC
20 (“Vulcan”) and B.A.T., Inc. dba Coast Processing (“Coast”) to process payments from LPG consumer
21 clients and to divert LPG consumer funds and ACH Receivables. Diab would use numerous ACH
22 processing companies in order to easily transfer millions of dollars from Debtor to these entities he
23 controlled, without oversight or detection, and to avoid payment disputes and complications. The
24 money that flowed from Debtor through these bank account to Defendant consisted of Client Funds
25 that Debtor funneled to these entities by means of the ACH processing companies. Debtor also made
26 deposits into these entities bank account such that they received Client Funds directly from Debtor in
27 addition to direct Accounts Receivables.

28

1 **D. Ponzi Scheme Presumption**

2 43. The Ponzi Scheme Presumption exists in bankruptcy proceedings.

3 44. The Ponzi Scheme Presumption can be utilized to establish a debtor's "intent to defraud
4 future undertakers [investors] from the mere fact that a debtor was running a Ponzi scheme. Indeed,
5 no other reasonable inference is possible. A Ponzi scheme cannot work forever. The investor pool is
6 a limited resource and will eventually run dry. The perpetrator must know that the scheme will
7 eventually collapse as a result of the inability to attract new investors. The perpetrator nevertheless
8 makes payments to present investors, which, by definition, are meant to attract new investors. He must
9 know all along, from the very nature of his activities, that investors at the end of the line will lose their
10 money. Knowledge to a substantial certainty constitutes intent in the eyes of the law," *cf. Restatement*
11 (*Second*) of *Torts* § 8A (1963 & 1964), and a debtor's knowledge that future investors will not be paid
12 is sufficient to establish his actual intent to defraud them. *Kirkland v. Rund (In re EPD Inv. Co., LLC)*,
13 114 F.4th 1148, 1153 (9th Cir. 2024) (by definition Ponzi scheme is destined to fail and the swindler
14 and their entities often end in bankruptcy or equitable receivership); *Cf. Coleman Am. Moving Servs.,*
15 *Inc. v. First Nat'l Bank & Trust Co. (In re American Properties, Inc.)* 14 B.R. 637, 643 (Bankr. D.
16 Kan. 1981) (intentionally carrying out a transaction with full knowledge that its effect will be
17 detrimental to creditors is sufficient for actual intent to hinder, delay or defraud within the meaning of
18 § 548(a)(1))." *Merrill v. Abbott (In re Independent Clearing House Co.)* (D. Utah 1987) 77 B.R. 843,
19 860. A trustee in bankruptcy is not required to show that an operator of a Ponzi scheme was
20 subjectively aware his Ponzi scheme was destined to fail. *In re EPD Inv. Co., LLC*, 114 F.4th at 1153
21 ("[a] trustee's action to recover assets fraudulently conveyed in the course of a Ponzi scheme does not
22 require that the trustee also prove the Ponzi-scheme operator was subjectively aware his Ponzi scheme
23 was destined to fail.").

24 45. "But if all the debtor receives in return for a transfer is the use of the defendant's money
25 to run a Ponzi scheme, there is nothing in the bankruptcy estate for creditors to share. In fact, by
26 helping the debtor perpetuate his scheme, the transfers exacerbate the harm to creditors by increasing
27 the amount of claims while diminishing the debtor's estate. In such a situation, the use of the
28 defendant's money cannot objectively be called 'reasonably equivalent value.'" *In re Independent*

1 *Clearing House Co.* 77 B.R. at 859. Therefore, “[t]he trustee can avoid the transfers if they were
2 preferential or fraudulent. Transfers to investors in a Ponzi scheme are preferential and fraudulent.
3 Therefore, they constitute “property of the estate,” and the trustee can recover them. *Id.* at 853 n.17
4 (citations omitted).

5 46. Debtor was operating a Ponzi scheme that utilized affiliates and several other entities
6 as investors to continue its unlawful business practices by using funds provided by current investors
7 to attract new investors hoping for very high returns. Therefore, the Debtor was running a Ponzi
8 scheme and the Ponzi Scheme Presumption can be utilized to infer that the Debtor had the intent to
9 defraud investors within the meaning of 11 U.S.C. section 548(a)(1). This is evidenced by the Court
10 in this Bankruptcy Case declaring that Debtor was operating a Ponzi scheme when it stated the
11 following:

12 It is important to note that this Court has never received any significant and
13 trustworthy evidence that Debtor accomplished meaningful results for its clients, but
14 only anecdotal examples of viable success for its clients. By reviewing the Estate’s
15 claims register, there is evidence of consumer claims for the fraud and demanded
16 but undelivered refunds of approximately \$500 million. There is ample evidence
17 that the pre-petition Debtor never placed the collected funds into an attorney-client
18 trust account, and that Debtor or its principals simply looted the payments received
19 through the client automatic withdrawals, stiffing both the clients and outside
20 attorneys who may have been working on client cases with the hopes of being paid.
21 There is also evidence before the Court that Debtor was running a Ponzi scheme and
22 paying some outside (or “network”) attorneys with funds obtained from new clients.
23 In this case, it appears that some of the “lenders” may have been serving as
24 “investors,” hoping for very high returns before “the music stopped.” The Ninth
25 Circuit has recently explained, “[b]y definition, a Ponzi scheme is destined to fail
26 because the pool of available investors is not limitless. When the Ponzi scheme
operator’s pool of investors inevitably runs dry, the scheme collapses and the
swindler and their entities often end up in bankruptcy or equitable receivership. *See generally* David R. Hague, Expanding the Ponzi Scheme Presumption, 64 DePaul
L. Rev. 867 (2015). In bankruptcy, the court-appointed trustee is tasked with taking
immediate control of the entity, ceasing ongoing fraudulent activity, locating and
collecting assets for the bankruptcy or receivership estate, and achieving a final,
equitable distribution of the remaining assets. *See* 11 U.S.C. § 704; *Kirkland v. Rund*
(*In re EPD Inv. Co., LLC*), 2024 U.S. App. LEXIS 21363, at *15 (9th Cir. Aug. 23,
2024). Finally, there is evidence that Debtor was encumbering (or as some creditors
assert, “double or triple selling”) their accounts or receivables to multiple lenders.
With respect to Greyson’s requested Administrative Claim [Dk. 676], and as more
fully described in the concurrently entered order denying the claim, there has been
no evidence presented that any work allegedly performed by Greyson assisted any
clients or added any value to the Estate.

27 *See, Case 8:23-bk-10571-SC, Doc 1545 n. 5.*

28

1 47. The Ponzi Scheme Presumption establishes a debtor's "intent to defraud future
2 undertakers [investors] from the mere fact that a debtor was running a Ponzi scheme." *Merrill v. Abbott*
3 (*In re Independent Clearing House Co.*), 77 B.R. 843, 860 (D. Utah 1987). "Knowledge to a
4 substantial certainty constitutes intent in the eyes of the law, *cf. Restatement (Second) of Torts* § 8A
5 (1963 & 1964), and a debtor's knowledge that future investors will not be paid is sufficient to establish
6 his actual intent to defraud them." *Id.* A trustee in bankruptcy is not required to show that an operator
7 of a Ponzi scheme was subjectively aware his Ponzi scheme was destined to fail. *In re EPD Inv. Co.,*
8 *LLC*, 114 F.4th at 1153 (9th Cir. 2024). "[I]f all the debtor receives in return for a transfer is the use of
9 the defendant's money to run a Ponzi scheme, there is nothing in the bankruptcy estate for creditors
10 to share." *In re Independent Clearing House Co.* 77 B.R. at 859. In such a situation, the use of the
11 defendant's money cannot objectively be called "reasonably equivalent value." *Id.* Therefore, "[t]he
12 trustee can avoid the transfers if they were preferential or fraudulent. Transfers to investors in a Ponzi
13 scheme are preferential and fraudulent. Therefore, they constitute 'property of the estate,' and the
14 trustee can recover them." *Id.* at 853 n.17 (citations omitted).

15 48. Based on the Ponzi Scheme presumption the Court can infer that the Debtor had the
16 intent to defraud investors within the meaning of 11 U.S.C. § 548(a)(1). As a result, the transfers
17 identified herein were made in furtherance of that scheme and the Debtor did not receive an objectively
18 reasonable equivalent value for such transfers. Thus, the Trustee can avoid any such transfers because
19 they were actually fraudulent as to the Debtor's creditors.

20 **E. Prepetition Litigation and Creditors**

21 49. Debtor's Schedule E/F, filed on April 4, 2023, as Dk. No. 33, lists: (a) 11 unsecured
22 creditors with priority unsecured claims totaling \$374,060.04; and (b) 58 nonpriority unsecured
23 creditors with scheduled claims totaling \$141,439,158.05.

24 50. The claims register in this Bankruptcy Case includes 2,554 proofs of claim, totaling in
25 excess of \$424 million of claims asserted against the Estate.

26 51. At least 14 UCC-1 statements were of record securing alleged debts of the Debtor as
27 of the Petition Date. These statements either reflected secured liens against the Debtor's assets then
28 owned or thereafter acquired or provided evidence of the assignment or sale of substantial portions of

1 the Debtor's future income. They secured the repayment of the following claimed amounts that are
2 currently known to Trustee and are allegedly owed by the Debtor: (a) \$2,374,004.82 owed to Fundura
3 Capital Group as evidenced by Proof of Claim No. 335 purportedly secured by a UCC statement filed
4 on or about May 19, 2021; (b) approximately \$15 million dollars owed to MNS Funding, LLC as
5 evidenced by Proof of Claim No. 1060 purportedly secured by a UCC statement filed on or about May
6 28, 2021; (c) approximately \$5,000,000 owed to Azzure Capital, LLC as evidenced by Proof of Claim
7 No. 127 purportedly secured by a UCC statement filed on or about May 28, 2021; and (d)
8 approximately \$1.5 million dollars owed to Diverse Capital, LLC purportedly secured by UCC
9 statements filed on or about September 15, 2021, and December 1, 2021.

10 52. Debtor's balance sheets for the 36 months ending December 31, 2021, show
11 approximately \$17,900,000 in total assets at its highest point in November 2021. This amount is
12 significantly less than the \$424 million of claims filed.

13 53. Debtor's Statement of Financial Affairs, filed on April 4, 2023, as Dk. No. 34, reflects
14 15 pending lawsuits against Debtor as of the Petition Date. The lawsuits date back to October 18, 2021
15 (*Fundura v. The Litigation Practice Group P.C. et al.*, Supreme Court of New York Index No. 613192-
16 2021) and are as recent as March 10, 2023 (*Diverse Capital LLC v. The Litigation Practice Group*
17 *P.C. et al.*, Supreme Court of New York Index No. 135614-2023).

18 **F. Debtor's Insolvency**

19 54. Debtor was insolvent when the Transfers occurred as evidenced by: (a) the 14 UCC-1
20 statements reflecting secured liens against the Debtor's owned and after-acquired assets and the
21 assignment or sale of substantial portions of the Debtor's future income; (b) the priority and non-
22 priority unsecured debt of nearly \$142 million listed in Debtor's schedules; (c) the \$424 million of
23 creditor claims filed in this Bankruptcy Case; and (d) Debtor's balance sheets reflecting, at its highest
24 point, \$17.9 million of assets in November 2021.

25 55. Moreover, insolvency is presumed as a matter of law where, as in this Bankruptcy
26 Case, the debtor operated a Ponzi scheme. *See, e.g., Glob. Money Mgmt., L.P. v. McDonnold*, No.
27 06CV34, 2008 U.S. Dist. LEXIS 128733, at *15 (S.D. Cal. Feb. 27, 2008) (concluding that "if a Ponzi
28 scheme is proven, then the debtor is proven insolvent from the time of its inception").

1 56. Diab and others devised a plan to fraudulently transfer funds, client files, client funds
2 and assets out of LPG to third parties prior to the filing of bankruptcy.

3 **E. Spot On Notes**

4 57. Because LPG received payments from consumers over time, it often sought financing
5 by borrowing against its future cash flows from merchant cash advance lenders or soliciting
6 investments from third parties to “purchase” future receivables from a group of files.

7 58. By late summer of 2022, LPG’s need for operating capital was so severe that it began
8 borrowing money from multiple lenders in loan transactions administered by Spot On (generally “Spot
9 On Borrowing”).

10 59. Spot On held itself out as an “administrative liaison” or “servicing company” working
11 on behalf of both Debtor and individual investors to facilitate the Spot On Borrowing that resulted in
12 the execution of promissory note(s) between the Debtor and lender (“Spot On Notes”).

13 60. Upon information and belief, Spot On retained or was paid a percentage of the principal
14 amount of each loan it originated as a commission.

15 61. Upon further information and belief, Eric, Elgas, and others supervised and organized
16 the Spot On Borrowing and subsequent payments pursuant to the Spot On Notes.

17 62. The terms of the Spot On Notes could vary, but typically they provided for a loan to
18 the Debtor that would be repaid in monthly installments of eight to ten percent interest per month on
19 the principal amount of the loan for twelve or twenty-four months. At maturity, the Debtor would then
20 repay the entire principal amount of the Spot On Note to lender.

21 63. By borrowing under these terms, the Debtor was obligating itself to repay each lender
22 two to four times the amount that was borrowed.

23 64. Upon information and belief, some Spot On Notes may not represent a true loan
24 transaction where the principal amount of the note was lent to the Debtor. In some instances, the
25 Trustee believes that the principal balance of some Spot On Notes may represent an amount that was
26 owed to the holder from another transaction or investment with the Debtor or related entity that was
27 converted or “rolled over” into a Spot On Note to extend the time to repay the amount owed.

28 65. In some instances, lenders would have multiple outstanding Spot On Notes between

1 them and the Debtor at the same time.

2 66. Upon information and belief, when the Debtor first started making payments to lenders
3 pursuant to the Spot On Notes, it made a lump sum payment to Spot On equal to the total amount
4 needed to pay the installments due to the lenders for that week. Spot On would then pay the individual
5 lenders from its bank account. Upon information and belief, Spot On disbursed payments from two
6 bank accounts it held at JPMorgan Chase Bank with account numbers ending in XX7662 and XX2777
7 (“Accounts”).

8 67. Ultimately, the Debtor was not able to pay Spot On a sufficient amount from its
9 operations to make the weekly payments to the holders of the Spot On Notes. After this, upon
10 information and belief, Spot On began using funds it obtained from the execution of new Spot On
11 Notes to make payments to prior lenders on existing Spot On Notes from the Accounts.

12 68. The funds deposited in the Accounts from the execution of new Spot On Notes was the
13 Debtor’s property as the Debtor had borrowed the money and was entitled to the use of it.

14 69. When funds were deposited in the Accounts Spot On would often transfer funds to one
15 or more money market accounts at Chase ending in account numbers 7365 or 9789 (“Money Market
16 Accounts”). While Spot On would return funds from the Money Market Accounts to the Accounts,
17 the Trustee does not know if all amounts transferred to the Money Market Accounts was returned for
18 disbursement. Those transfers from the Accounts to the Money Market Accounts (“MMA Transfers”)
19 known to the Trustee are identified on Exhibit 2 attached hereto.

20 70. The Spot On Borrowing constituted a Ponzi scheme as existing noteholders were being
21 paid from funds advanced by new Spot On Notes or lenders. Without the Debtor obtaining additional
22 funds through borrowing, it could not have made many of the payments that were made to the holders
23 of the Spot On Notes.

24 71. The Spot On Notes are invalid and unlawful because, among other reasons, they
25 provide for a usurious interest rate.

26 72. Defendant Jesse entered into one or more Spot On Notes with the Debtor. Upon
27 information and belief, Jesse executed three Spot On Notes in the original principal amounts of
28 \$50,000, \$100,000, and \$100,000.

1 73. Defendant Eric/Defendant Spot On also executed numerous Spot On Notes with the
2 Debtor. A true and accurate copy of one of these Spot On Notes where Eric and/or Spot On is the
3 lender is attached hereto as **Exhibit 3**. The attached note states that Eric is loaning the Debtor \$50,000
4 and will be paid the sum of \$170,000 from the Debtor over the next twenty-four to twenty-five months.

5 74. Upon information and belief, both Jesse and Eric received payments from the Debtor
6 or from the Accounts. Those payments to Jesse and Eric currently known to the Trustee (“Martinson
7 Payments”) are set forth on **Exhibit 4** attached hereto.

8 75. The Defendants no longer hold any Spot On Notes having assigned them to Affirma,
9 LLC as further detailed in Proof of Claim No. 108 and in the Trustee’s adversary against Affirma,
10 LLC.

11 76. However, the Martinson Payments were not the only consideration that Eric received
12 from the Accounts. On August 31, 2022, Spot On wired \$297,300.81 to Emerald Escrow, Inc. from
13 one of the Accounts (“Wire”). The stated purpose of the wire was “1560 Ambersweet Street Corona
14 CA.”

15 77. Eric and Betty Jo Martinson purchased the real property located at 1560 Ambersweet
16 Street in Corona California pursuant to a Grant Deed dated September 1, 2022 (“Deed”). Emerald
17 Escrow, Inc. recorded the Deed. A true and accurate copy of the Deed to the Property is attached
18 hereto as **Exhibit 5**.

19 78. As noted above, the Debtor would transfer funds to Spot On who, upon receipt, would
20 disburse the funds to the lenders owed a payment pursuant to their note with the Debtor that week.
21 The principal amount of many loans that Spot On originated was deposited into the Accounts. From
22 the Payments and/or the proceeds of the loans, Spot On recovered the commissions it charged the
23 Debtor and/or additional consideration. The Debtor’s payments to Spot On known to the Trustee at
24 present total \$2,423,533.58 (“Spot On Payments”) and are set forth on **Exhibit 6** hereto.

25 79. Spot On received and had control over the Spot On Payments and the Spot On
26 Payments may be recovered from it as an initial transferee.

27 80. The MMA Transfers, Martinson Payments, Wire, and Spot On Payments are
28 collectively referred to herein as the “Transfers.”

COUNT ONE

Avoidance, Recovery, and Preservation of Transfers Made Within the Ninety Day Period

Before the Petition Date

[11 U.S.C. §§ 547, 550, and 551]

81. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as though set forth in full herein.

82. In the ninety-day period preceding the Petition Date, the Debtor made Transfers to or for the benefit of one or more of the Defendants as identified on the Exhibits identified above (“90 Day Transfers”). These 90 Day Transfers currently known to the Trustee are identified on **Exhibits 2, 4, and 6**.

83. The Debtor made the 90 Day Transfers to the Defendants on account of a debt owed to that particular Defendant.

84. The 90 Day Transfers were made to or for the benefit of a creditor within the meaning of 11 U.S.C. § 547(b)(1) because the 90 Day Transfers were payments made on account of debts nominally owed by the Debtor.

85. A transfer of the Debtor's assets occurred when the 90 Day Transfers were received by the particular Defendant.

86. The 90 Day Transfers were made on account of antecedent debt nominally owed by the Debtor to the recipient of the Transfer due to an “investment” with the Debtor or pursuant to an executed Spot On Note. The Debtor’s payment obligations to the Defendants constituted a “debt” (as defined in the Bankruptcy Code).

87. The 90 Day Transfers occurred when the Debtor actually was insolvent. However, Plaintiff is also entitled to the presumption of insolvency when the 90 Day Transfers were made pursuant to 11 U.S.C. § 547(f).

88. The 90 Day Transfers were made in the ninety-day period before the Petition Date.

89. If any transfers were made by the Debtor to any Defendant herein within the ninety-day period preceding the Petition Date and are not identified herein, Plaintiff reserves the right to avoid and recover such transfers pursuant to 11 U.S.C. §§ 547 and 550.

1 90. As the holder of an unsecured claim(s) or as party who has not filed a claim, the
2 payment of the 90 Day Transfers to one or more of the Defendants enabled them to recover more than
3 they would have received if: (i) the Debtor's case was under chapter 7 of the Bankruptcy Code; (ii)
4 the 90 Day Transfers had not been made; and (iii) the debts owed to the Defendants that received the
5 90 Day Transfers were paid pursuant to the provisions of the Bankruptcy Code. As evidenced by the
6 Debtor's schedules filed in the underlying Bankruptcy Case, as well as the proofs of claim that have
7 been received to date, the Debtor's liabilities exceed its assets to the point that unsecured creditors will
8 not receive a full payout of their claims from the Debtor's bankruptcy estate.

9 91. In accordance with the foregoing, the 90 Day Transfers are avoidable pursuant to 11
10 U.S.C. § 547(b), and may be recovered and preserved for the benefit of the estate pursuant to 11 U.S.C.
11 §§ 550 and 551.

COUNT TWO

Avoidance, Recovery, and Preservation of Post-Petition Transfers

[11 U.S.C. §§ 549, 550, and 551]

15 92. Plaintiff realleges and incorporates by reference each and every allegation contained in
16 the preceding paragraphs as though set forth in full herein.

17 93. This is an action to pursuant to 11 U.S.C. §§ 549 and 550 to avoid and recover
18 unauthorized post-petition transfers made by Debtor to any of the Defendants (“Post-Petition
19 Transfers”).

20 94. To the extent any Post-Petition Transfers were made by the Debtor to any Defendant
21 following the Petition Date and are not identified herein, Plaintiff reserves the right to amend the
22 Complaint to identify the Post-Petition Transfers and seek the avoidance and recovery of them
23 pursuant to 11 U.S.C. §§ 549 and 550.

24 95. Those Post-Petition transfers to the Defendants that are currently known to the Trustee
25 at this time are identified on **Exhibits 2, 4, and 6** hereto.

26 | //

27 | //

28

COUNT THREE

Avoidance, Recovery, and Preservation of Two-Year

Actual Fraudulent Transfers

[11 U.S.C. §§ 548(a)(1)(A), 550, and 551]

96. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as though set forth in full herein.

97. The funds used to make the Transfers were the Debtor's property.

98. The Transfers occurred within the two years prior to the Petition Date.

99. On or after the date that such Transfers were made, entities to which Debtor was or became indebted include the Prepetition Creditors.

100. The Transfers happened while Debtor was insolvent or was rendered insolvent.

101. Despite Debtor's obligation to the Prepetition Creditors, Debtor made the Transfers to the Defendants pursuant to the Spot On Notes and/or the Spot On Borrowing, which constitute illegal usurious loan agreements between Debtor, its investors, and Spot On.

102. The Spot On Borrowing coordinated between Debtor and the Defendants was a Ponzi scheme and the Ponzi Scheme Presumption creates an inference of the Debtor's and Spot On's actual intent to defraud within the meaning of 11 U.S.C. section 548(a)(1).

103. Because the Spot On Borrowing and Spot On Notes were a Ponzi scheme, the Transfers to Defendants were made with actual intent to hinder, delay or defraud the creditors of Debtor.

104. The Transfers of funds are avoidable as fraudulent pursuant to 11 U.S.C. §§ 548(a)(1)(A), 550, and 551 by one or more creditors who held and hold unsecured claims against Debtor that were and are allowable against Debtor's Estate under 11 U.S.C. § 502, or that were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition Creditors.

105. As avoidable transfers pursuant to 11 U.S.C. § 548(a)(1)(A), the Transfers, or the value thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

COUNT FOUR

Avoidance, Recovery, and Preservation of Two-Year

Constructive Fraudulent Transfers

[11 U.S.C. §§ 548(a)(1)(B), 550, and 551]

106. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as though set forth in full herein.

107. The Transfers were made within two years before the Petition Date.

108. Debtor did not receive reasonably value in exchange for the Transfers.

9 109. The Transfers were made at a time when Debtor was insolvent and/or rendered
10 insolvent by virtue of said transfers.

11 110. When the Transfers occurred, Debtor's business was undercapitalized and Debtor was
12 engaged in business for which its capital was unreasonably small.

13 111. When the Transfers occurred, Debtor had incurred or was about to incur debts that were
14 beyond its ability to pay. The allegations in the preceding paragraphs are supported by the fact that the
15 Debtor was borrowing money through a Ponzi scheme overseen by the Defendants to fund operations.

16 112. At the time each Transfer was made, Debtor was indebted to one or more creditors that
17 held a claim against Debtor on the date of each Transfer and on the Petition Date.

18 113. Plaintiff alleges that Defendants did not receive the Transfers in good faith, for value,
19 and without knowledge of their avoidability. Defendants knew or should have known that the Spot On
20 Notes and Spot On Borrowing were illegal and unenforceable as a matter of law.

114. Defendants knew or should have known that the terms of the Spot On Notes were illegal
and unenforceable as a matter of law.

23 115. Defendants knew that the Debtor was a law firm who was required by law to escrow
24 client payments until earned. However, each Defendant demanded and received payment from client
25 payments that had not been earned because they were paid by the Debtor, Vulcan, and/or Coast or
26 were paid directly from loan proceeds from another lender to the Debtor.

27 116. The Transfers of funds are avoidable as fraudulent pursuant to 11 U.S.C. §§
28 548(a)(1)(B), 550, and 551 by one or more creditors who held and hold unsecured claims against

1 Debtor that were and are allowable against Debtor's Estate under 11 U.S.C. § 502, or that were not
2 and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition
3 Creditors.

4 117. As avoidable transfers pursuant to 11 U.S.C. § 548(a)(1)(B), the Transfers, or the value
5 thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550
6 and 551.

COUNT FIVE

Avoidance, Recovery, and Preservation of Four-Year Actual Fraudulent Transfers

[11 U.S.C. §§ 544(b), 550, and 551; Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07]

10 118. Plaintiff realleges and incorporates by reference each and every allegation contained in
11 the preceding paragraphs as though set forth in full herein.

12 119. Under 11 U.S.C. § 544(b)(1), Plaintiff may avoid transfers of an interest of Debtor
13 which are voidable under applicable law by an unsecured creditor of Debtor, including under
14 California Civil Code §§ 3439.04(a)(1) and 3439.05.

15 || 120. The Transfers occurred within four years prior to the Petition Date.

16 121. On or after the date that such Transfer were made, entities to which Debtor was or
17 became indebted include the Prepetition Creditors.

18 122. Despite Debtor's obligation to the Prepetition Creditors, Debtor made the Transfers to
19 Defendant.

123. The Transfers to Defendant were made with actual intent to hinder, delay or defraud
the creditors of Debtor as the Debtor was operating a Ponzi scheme with the help of the Defendants.

22 124. Defendants' conduct relating to the Transfers was done with oppression, fraud and
23 malice, as defined in California Civil Code section 3294, entitling Plaintiff to exemplary and punitive
24 damages.

25 125. The Transfers are avoidable as fraudulent pursuant to 11 U.S.C. § 544(b) and Cal.
26 Civ. Code §§ 3439.04(a)(1) and 3439.07 by one or more creditors who held and hold unsecured claims
27 against Debtor that were and are allowable against its Estate under 11 U.S.C. § 502 or that were not
28 and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition

1 | Creditors.

2 126. As avoidable transfers pursuant to 11 U.S.C. § 544 and Cal. Civ. Code §§ 3439.04(a)(1)
3 and 3439.07, the Transfers, or the value thereof, should be recovered and preserved for the benefit of
4 the Estate pursuant to 11 U.S.C. §§ 550 and 551.

COUNT SIX

Avoidance, Preservation, and Recovery of Constructive Fraudulent Transfer

11 U.S.C. §§ 544, 550, 551; Cal. Civ. Code §§ 3439.04(a)(2), 3439.05 and 3439.07

8 127. Plaintiff realleges and incorporates by reference each and every allegation contained in
9 the preceding paragraphs as though set forth in full herein.

10 128. Under 11 U.S.C. § 544(b)(1), Plaintiff may avoid transfers of an interest of Debtor
11 which are voidable under applicable law by an unsecured creditor of Debtor, including under
12 California Civil Code §§ 3439.04(a)(2) and 3439.05.

13 129. Debtor did not receive reasonably equivalent value in exchange for the Transfers.

14 130. The Transfers were made at a time when Debtor was insolvent and/or rendered
15 insolvent by virtue of said transfers.

16 131. At the time each Transfer was made, Debtor was engaged or was about to engage in a
17 business or a transaction for which the remaining assets of Debtor were unreasonably small in relation
18 to the business or transaction.

19 132. At the time each Transfer was made, Debtor intended to incur, or believed or
20 reasonably should have believed that Debtor would incur, debts beyond Debtor's ability to pay as they
21 became due.

22 133. At the time each Transfer was made, Debtor was indebted to one or more creditors that
23 held a claim against Debtor on the date of each Transfer and on the Petition Date.

134. The Transfers were made at a time when Debtor was insolvent and/or rendered
insolvent by virtue of said transfers.

26 135. Plaintiff alleges that Defendants did not receive the Transfers in good faith, for value,
27 and without knowledge of their avoidability as they were helping the Debtor borrow funds through a
28 Ponzi scheme using usurious rates of interest.

136. Defendants knew that the Debtor was a law firm who was required by law to escrow client payments until earned. However, Defendants demanded and received payments from client funds that had not been earned and/or from the loan proceeds advanced by new lenders to the Debtor.

137. Defendants knew or should have known that the terms of the Spot On Notes were illegal and unenforceable as a matter of law.

138. The Transfers are avoidable as fraudulent pursuant to 11 U.S.C. § 544(b) and Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07 by one or more creditors who held and hold unsecured claims against Debtor that were and are allowable against its Estate under 11 U.S.C. § 502 or that were not and are not allowable only under 11 U.S.C. § 502(e), including, without limitation, the Prepetition Creditors.

139. As avoidable transfers pursuant to 11 U.S.C. § 544 and Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07, the Transfers, or the value thereof, should be recovered and preserved for the benefit of the Estate pursuant to 11 U.S.C. §§ 550 and 551.

COUNT SEVEN

Aiding and Abetting (All Defendants)

[11 U.S.C. §§ 544(b), 550, and 551; Cal. Civ. Code §§ 3439.04(a), 3934.04(b), and 3439.07]

140. Plaintiff realleges and incorporates by reference each and every allegation contained in the preceding paragraphs as though set forth in full herein.

141. Defendants and others not named herein, based upon information and belief and based on the Ponzi Scheme Presumption, had knowledge of the fraudulent transactions, transfers and illegal agreements that were used to perpetuate and conceal the Ponzi scheme and fraudulent transfers.

142. Defendants, with the foregoing knowledge, intended to, and did, help the Debtor in perpetuating and concealing the Ponzi scheme and fraudulent transfers of money through the issuance of the Spot On Notes.

143. At all material times, Defendants had the intent to facilitate and conceal the Ponzi scheme and fraudulent transfers of money through the Spot On Borrowing and the solicitation of new loans and new lenders. The solicitation of new lenders also provided the funds to make payments on the Defendants prior Spot On Notes.

144. Defendants, upon information and belief, assisted, and did actually engage in, the commission of fraud and the Ponzi scheme by coordinating, facilitating, and directing payments and transfers of monies and executing documents in furtherance of continuing the Debtor's participation in the Spot On Borrowing and issuance of new Spot On Notes.

145. The injuries to the Debtor's Estate and to its creditors directly, proximately and reasonably foreseeably resulting from and caused by violations of Sections 6151 and 6155 of the California Business and Professional Code include, without limitation, hundreds of thousands of dollars in improperly transferred and acquired moneys.

146. Plaintiff and the Debtor's estate also suffered damages by incurring attorney's fees and costs associated with the prosecution of Defendants' unlawful activities.

RESERVATION OF RIGHTS

147. Plaintiff reserves the right to bring all other claims or causes of action that Plaintiff may have against any Defendant, on any and all grounds, as allowed under the law or in equity, including but not limited to, those claims not known by the Trustee at this time but that he may discover during the pendency of this adversary proceeding.

PRAYER FOR RELIEF

On the First Through Sixth Claims for Relief:

1. Avoiding, recovering, and preserving the Transfers to the Defendants in such amounts as the Court may determine pursuant to applicable law;

On the Seventh Claim for Relief:

2. Finding the Defendants liable for aiding and abetting the Ponzi scheme of borrowing and payments through the Spot On Notes and awarding the Plaintiff damages as the Court determines;

On All Claims for Relief:

3. Awarding punitive and exemplary damages according to proof;
4. Awarding pre-judgment interest at the maximum legal rate;
5. Awarding post-judgment interest at the maximum legal rate from the date of the last Transfer until the judgment is paid in full;

1 6. Awarding costs of suit incurred herein; and
2 7. Granting any other and further relief as the Court deems just and proper.

3 || Dated: March 18, 2025

Respectfully submitted,

DINSMORE & SHOHL LLP

By: /s/ Tyler Powell
Tyler Powell
Yosina M. Lissebeck
*Special Counsel to Richard A. Marshack,
Trustee of the LPG Liquidation Trust*

EXHIBIT 1

1 CHRISTOPHER B. GHIO (259094)
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FILED & ENTERED

JUN 03 2024

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY mccall DEPUTY CLERK

8 Sarah S. Mattingly (Ky. Bar 94257)
9 sarah.mattingly@dinsmore.com
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12 Louisville, Kentucky 40202
13 Tele: 859-425-1096
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15 (Admitted pro hac vice)

16 Special Counsel to Richard A. Marshack

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

16 In Re Case No: 23-bk-10571-SC

17 Chapter 11

18 The Litigation Practice Group P.C.,
19 Debtor(s),

**ORDER GRANTING MOTION FOR
ENTRY OF PROTECTIVE ORDER AND
THE PROTECTIVE ORDER**

21 Date: May 23, 2024

22 Time: 1:30 p.m.

23 Judge: Hon. Scott C. Clarkson

24 Place: Courtroom 5C (via Zoom)¹
411 West Fourth Street
Santa Ana, CA 92701

25

26

27

28 ¹ Video and audio connection information for each hearing will be provided on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at:
<http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

The Court has read and considered the Notice of Motion and Motion for Entry of Protective Order (the “Motion”) filed by Richard A. Marshack, in his capacity as the Chapter 11 Trustee (the “Trustee”) of the Bankruptcy Estate (“Estate”) of The Litigation Practice Group P.C., on May 2, 2024, pursuant to Federal Rule of Bankruptcy Procedure 7026 and Federal Rule of Civil Procedure 26(c)(1), as Dk. No. 1164 (“Motion”), and has found good cause to grant the Motion.

IT IS HEREBY ORDERED that:

1. The Motion is granted;
2. The below Protective Order shall apply to any contested matter arising in the main bankruptcy case and in all adversary proceedings filed by or against Trustee, present and future; and
3. Govern the discovery conducted therein.

PROTECTIVE ORDER

1. DEFINITIONS

1.1 "Confidential Information" as used in this Protective Order shall mean documents and other information (regardless of how generated, stored or maintained) that a Party or non-party reasonably believes to contain or reflect non-public financial or business information, bank records, financial records, such as social security numbers, non-public financial or personal information of a Party or non-party, account numbers, sensitive digital information and identifiers, information subject to confidentiality agreements or provisions other than this Protective Order, and other non-public research, development, or commercial information that derives value or avoids injury by virtue of not being known to the public.

1.2 This "Action" is defined and hereby means any contested matter arising in the main bankruptcy case and in all adversary proceedings filed by or against Trustee, present and future.

1.3 "Designating Party" means a Party or non-party that designates Confidential Information during the Action.

1.4 "Receiving Party" means a Party that receives Confidential Information during the Action.

1 1.5 “Party” or “Parties” means person or entity subject to this Protective Order.

2 **2. SCOPE OF THIS PROTECTIVE ORDER**

3 2.1 Unless otherwise ordered, this Protective Order shall govern certain documents and
4 other products of discovery obtained in the Action from the Parties there to, and from third parties.
5 As well as certain information copied or derived therefrom, excerpts, summaries or compilations
6 thereof, including, but not limited to, documents voluntarily exchanged as part of early settlement
7 discussions, documents produced pursuant to initial disclosures, requests authorized by the Federal
8 Rules of Civil Procedure made applicable herein by the Federal Rules of Bankruptcy Procedure,
9 answers to interrogatories, deposition transcripts, responses to requests for production, responses to
10 requests for admission, subpoenas, affidavits, declarations, expert reports, and other such material
11 and information as may be produced during the course of the Action and designated as Confidential
12 Information.

13 **3. DESIGNATION OF CONFIDENTIAL INFORMATION**

14 3.1 This Protective Order shall govern the production and handling of any Confidential
15 Information in this Action. Any Party or non-party who produces Confidential Information in this
16 Action may designate it as "Confidential" or "Attorneys' Eyes Only" consistent with the terms of this
17 Protective Order. Whenever possible, the Designating Party must designate only those portions of a
18 document, written discovery responses, deposition, transcript, or other material that contain the
19 Confidential Information and refrain from designating entire documents. Regardless of any
20 designations made hereunder, the Designating Party is not otherwise restricted from use or disclosure
21 of its Confidential Information outside of this Action or for any business purposes. In addition, any
22 Party may move to modify or seek other relief from any of the terms of this Protective Order if it has
23 first tried in writing and in good faith to resolve its needs or disputes with the other Parties or Party
24 as the case may be under the terms of this Protective Order. Further, nothing in this Protective Order
25 shall prevent a Party from redacting documents consistent with the Federal Rules of Civil Procedure
26 and utilizing the documents as needed through-out the Action.

27 3.2 Application to Non-Parties: Before a non-party is given copies of documents or
28 materials designated as Confidential Information or Attorneys' Eyes Only as permitted hereunder, it

1 must first sign an acknowledgment to be bound to these terms that is attached hereto as Exhibit A; if
2 it fails to do so, the Parties to this Action must resolve any such dispute before making disclosure of
3 designated information as permitted hereunder to the non-party. If a non-party wishes to make
4 designations hereunder, it must first sign attached Exhibit A.

5 3.3 Timing and Provisional Protection: Designations of Confidential Information may be
6 made at any time. To avoid potential waiver of protection hereunder, the Designating Party should
7 designate documents or materials containing Confidential Information at the time of production or
8 disclosure, including on the record during the taking of any deposition. Deposition testimony will be
9 deemed provisionally protected for a period of thirty (30) days after the transcript is released to the
10 Parties by the court reporter, although the Parties may agree at any time to different timelines of
11 provisional protection of information as Confidential or Attorneys' Eyes Only as part of one or more
12 specific depositions. To retain any designations beyond the provisional period, a Designating Party
13 must designate specific pages and lines of deposition testimony before the provisional period has
14 expired. Such designations must be made in writing so that all counsel and court reporters may append
15 the designation to all copies of the transcripts.

16 3.4 Manner of Designation: Confidential Information may be designated hereunder in any
17 reasonable manner or method that notifies the Receiving Party of the designation level and identifies
18 with specificity the information to which the designation applies. If made verbally, the Designating
19 Party must promptly confirm the designation in writing. Whenever possible, the Designating Party
20 should stamp, affix, or embed a legend of "CONFIDENTIAL" or "ATTORNEYS' EYES ONLY" on
21 each designated page of the document or electronic image that contains Confidential Information.

22 **4. CHALLENGES TO DESIGNATED INFORMATION**

23 4.1 In the event that a Receiving Party disagrees at any time with any designation(s) made
24 by the Designating Party, the Receiving Party must first try to resolve such challenge in good faith
25 on an informal basis with the Designating Party. The Receiving Party must provide written notice of
26 the challenge and the grounds therefor to the Designating Party, who must respond in writing to the
27 challenge within fifteen (15) days. At all times, the Designating Party carries the burden of
28 establishing the propriety of the designation and protection level. Unless and until the challenge is

1 resolved by the Parties or ruled upon by the Court, the designated information shall remain protected
2 under this Protective Order. The failure of any Receiving Party to challenge a designation does not
3 constitute a concession that the designation is proper or an admission that the designated information
4 is otherwise competent, relevant, or material.

5 **5. LIMITED ACCESS/USE OF PROTECTED INFORMATION**

6 5.1 Restricted Use: Information that is produced or exchanged in the course of the Action
7 and designated under this Protective Order may be used for preparation for trial and preparation for
8 any appeal of any and all matters in the Action, as well as related settlement negotiations, and for no
9 other purpose, without the written consent of the Designating Party. No Confidential Information may
10 be disclosed to any person except in accordance with the terms of this Protective Order, unless the
11 parties are co-counsel or have entered into joint defense agreements. All persons in possession of
12 Confidential Information agree to exercise reasonable care with regard to the custody, use, or storage
13 of such information to ensure that its confidentiality is maintained. This obligation includes, but is
14 not limited to, the Receiving Party providing to the Designating Party prompt notice of the receipt of
15 any subpoena that seeks production or disclosure of any designated information and consulting with
16 the Designating Party before responding to the subpoena. Any use or disclosure of Confidential or
17 Attorneys' Eyes Only information in violation of the terms of this Protective Order may subject the
18 disclosing person or party to sanctions.

19 5.2 Access to "Confidential" Information: The Party(ies) and all persons subject to this
20 Protective Order agree that information designated as "CONFIDENTIAL" may only be accessed or
21 reviewed by the following:

22 a) The Court, its personnel, and court reporters;

23 b) Counsel of record, or co-counsel for any Party, or other party that has entered into a
24 joint defense agreement in the Action and their employees who assist counsel of record, or co-counsel
25 in the Action and are informed of the duties and obligations imposed hereunder;

26 c) The Parties, including their clients, agents and employees who are assisting or have
27 reason to know of the Action;

28 ///

1 d) Experts or consultants employed by the Parties or their counsel, or co-counsel, for
2 purposes of an Action, so long as each such expert or consultant has signed attached Exhibit A; and

3 e) Other witnesses or persons with the Designating Party's consent or by court order.

4 5.3 Access to "Attorneys' Eyes Only" Designations: The Parties and all persons subject to
5 this Protective Order agree that information designated as "ATTORNEYS' EYES ONLY" may only
6 be accessed or reviewed by the following:

7 a) The Court, its personnel, and court reporters;

8 b) Counsel of record, or co-counsel for any Party, or other party that has entered into a
9 joint defense agreement in the Action and their employees who assist counsel of record in the Action
10 and are informed of the duties hereunder;

11 c) In-house counsel for any Party in the Action and Richard A. Marshack, as Chapter 11
12 Trustee of The Litigation Practice Group P.C. who is informed of the duties and obligations imposed
13 hereunder;

14 d) Experts or consultants employed by the Parties or their counsel, or co-counsel for
15 purposes of the Action, and so long as each such expert or consultant has signed attached Exhibit A;
16 and

17 e) Other witnesses or persons to whom the Designating Party agrees in advance of
18 disclosure or by court order.

19 5.4 Non-Waiver Effect of Designations: Neither the taking of, nor the failure to take, any
20 action to enforce the provisions of this Protective Order, nor the failure to object to any designation,
21 will constitute a waiver of any Party(ies)'s claim or defense in the Action or any other action or
22 proceeding, including, but not limited to, a claim or defense that any designated information is or is
23 not Confidential, is or is not entitled to particular protection, or embodies or does not embody
24 information protectable by law.

25 5.5 In-Court Use of Designated Information: If information designated under this
26 Protective Order will or may be offered in evidence at a hearing or trial related to any matter in the
27 Action, then the offering party must give advance notice to the party or non-party that designated
28 prior to offering the information so that any use or disclosure may be addressed in accordance with

1 the Court's case-management or other pre-trial order, or by a motion *in limine*. Nothing in this
2 Protective Order shall be construed as a waiver by a Party of any objections that may be raised as to
3 the admissibility at trial of any evidentiary materials.

4 **6. CLAW-BACK REQUESTS**

5 6.1 Failure to Make Designation: If, at any time, a Party or non-party discovers that it
6 produced or disclosed Confidential Information without designation, it may promptly notify the
7 Receiving Party and identify with particularity the Confidential Information to be designated and the
8 level of designation (the claw-back notification). The Receiving Party may then request substitute
9 production of the newly-designated information. Within thirty (30) days of receiving the claw-back
10 notification, the Receiving Party must: (1) certify to the Designating Party it has appropriately marked
11 or, if substitute production has been requested, destroyed all unmarked copies that it received, made,
12 and/or distributed; and (2) if it was practicably unable to mark or destroy any information because
13 disclosures occurred while the Receiving Party was under no duty of confidentiality under the terms
14 of this Protective Order regarding that information, the Receiving Party must reasonably provide as
15 much information as practicable to aid the Designating Party in protecting the information,
16 consistently with the Receiving Party's attorney-client, work-product, and/or trial-preparation
17 privileges.

18 6.2 Inadvertent Production of Privileged Information: If, at any time, a Party discovers
19 that it produced information that it reasonably believes is subject to protection under the
20 attorney/client, work-product, or trial-preparation privileges, then it must promptly notify each
21 Receiving Party of the claim for protection, the basis for it, amend its privilege log accordingly, and
22 comply with Fed. R. Civ. P. 26(b)(5). Whenever possible, the producing party must produce substitute
23 information that redacts the information subject to the claimed protection. The Receiving Party must
24 thereupon comply with Fed. R. Civ. P. 26(b)(5)(B) as to the information subject to the claimed
25 protection.

26 ///

27 ///

28 ///

1 **7. DURATION/CONTINUED RESTRICTIONS**

2 7.1 Handling of Designated Information Upon Conclusion of the Main Bankruptcy Case:
3 Upon conclusion of the Main Bankruptcy Case, by way of dismissal or closing of the case, the
4 Designating Party(ies) is/are responsible for ensuring that any Party or person to whom the
5 Designating Party shared or disclosed designated information in any of the matters under the Action
6 returns or destroys all of its copies, regardless of the medium in which it was stored. No witness or
7 Party may retain designated information that it received from any other Party or non-party under this
8 Protective Order; only counsel of record, or co-counsel, are the authorized agents who may retain one
9 copy for their respective legal files, and who must also describe to the Designating Party the extra
10 steps taken to protect its legal file containing paper and/or electronic copies of the designated
11 information so that it is not accessed, used, or disclosed inconsistently with the obligations under this
12 Protective Order. This provision does not apply to the Court or Court staff. Moreover, this provision
13 does not apply to Trustee, who may retain and use – consistent with this Order – Confidential
14 Information received in any Action during the entirety of the Bankruptcy.

15 7.2 Continued Restrictions Under this Protective Order: The restrictions on disclosure and
16 use of Confidential Information shall survive the conclusion of the Bankruptcy case and any matter
17 in the Action.

18 **8. PRIVILEGED OR PROTECTED INFORMATION**

19 8.1 Nothing in this Protective Order shall require disclosure of information that is
20 protected by the attorney-client privilege, the work-product protection, or any other legally cognizable
21 privilege (a “Privilege or Protection”). If information subject to a claim of Privilege or Protection is
22 inadvertently produced, pursuant to Federal Rule of Evidence 502(d) such production shall not
23 constitute a waiver of, or estoppel as to, any claim of Privilege or Protection for such information or
24 any other information that may be protected from disclosure by a Privilege or Protection in any
25 proceeding.

26 8.2 If a Party receives a document that appears to be subject to a Privilege or Protection,
27 then it shall refrain from examining the document any more than is essential to ascertain if it is
28 privileged or protected and shall promptly notify the producing Party in writing that the receiving

1 Party possesses material that appears to be subject to a Privilege or Protection. The producing Party
2 shall have seven (7) days after receiving such notice to assert a Privilege or Protection over the
3 identified material. If the producing Party does not assert a claim of Privilege or Protection within the
4 seven (7)-day period, the material in question shall be deemed not privileged or protected.

5 8.3 If a producing Party has produced a document subject to a claim of Privilege or
6 Protection, upon written request by the producing Party, the document for which a claim of Privilege
7 or Protection is made shall be sequestered or destroyed to the extent reasonably practicable, and the
8 receiving Party shall not use the document for any purpose other than in connection with analyzing
9 or disputing a claim of Privilege or Protection or in connection with a motion to compel the production
10 of the document.

11 8.4 The receiving Party sequestering or destroying such material may then move the Court
12 for an order compelling production of the material. The applicable producing Party bears the burden
13 of establishing the applicable Privilege or Protection of any clawed-back document or information as
14 and to the same extent that it would have borne such burden had it not produced the document or
15 information. Nothing in this Protective Order shall limit the Court's right or any receiving Party's
16 right to request an in camera review of any information subject to a claim of Privilege or Protection.
17

18 ###
19
20
21
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23

24 Date: June 3, 2024


25 Scott C. Clarkson
26 United States Bankruptcy Judge
27
28

EXHIBIT "A"

1 | Christopher B. Ghio (State Bar No. 259094)
2 | Christopher Celentino (State Bar No. 131688)
2 | Yosina M. Lissebeck (State Bar No. 201654)

DINSMORE & SHOHL LLP

3 655 West Broadway, Suite 800
San Diego, CA 92101

4 Telephone: 619.400.0500
Facsimile: 619.400.0501

5 christopher.ghio@dinsmore.com
christopher.celentino@dinsmore.com
6 yosina.lissebeck@dinsmore.com

7 | Sarah S. Mattingly (Ky. Bar 94257)

DINSMORE & SHOHL, LLP
181 S. Fifth Street, Suite 2500

8 || 101 S. Fifth Street, Suite 2500
Knoxville, TN 37901

2 Louisville, KY 40202
T-1-1 850-425-1

9 Telephone: 859-425-1096
Facsimile: 502 585 2207

Facsimile: 502-585-2207
Sarah.mattingly@dinsmore.com

10 Sarah.maltingly@dnsm
(Admitted pro hac vice)

Special Counsel to Richard A. Marshack,
Chapter 11 Trustee

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In Re

The Litigation Practice Group P.C.,
Debtor(s).

Case No. 8:23-BK-10571-SC

Chapter 11

**EXHIBIT A TO STIPULATED
ORDER**

Date: May 23, 2024

Time: 1:30 p.m.

Judge: Hon. Scott C. Clarkson

Judge: Hon. Scott C. Clarkson
Place: Courtroom 5C¹ - Via Zoom
411 W. Fourth Street
Santa Ana, CA 92701

¹ Video and audio connection information for each hearing will be provided on Judge Clarkson's publicly posted hearing calendar, which may be viewed online at:
<http://ecf-ciao.cacb.uscourts.gov/CiaoPosted/?jid=SC>.

1 This is to certify that:

2 (a) I am being given access to Confidential Information pursuant to the
3 Stipulated Protective Order that was entered into the main bankruptcy case for
4 Litigation Practice Group, but which is binding and controlling as set forth by the
5 Court's Order on any and all contested matters and any and all litigation commenced
6 by Trustee;

7 (b) I have read the Stipulated Protective Order; and

8 (c) I agree to be bound by the terms and conditions thereof, including,
9 without limitation, to the obligations regarding the use, non-disclosure and return of
10 such Confidential Information. I further agree that in addition to being contractually
11 bound by the Stipulated Protective Order, I am subject to the jurisdiction of the above
12 reference Court for any violation thereof.

13

14 Date: _____

15

16 _____
17 Signature

18

19

20 _____
21 Printed Name

22

23

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EXHIBIT 2

Date	Account	Payee	Amount	90 Day Transfer	Post-Petition Transfer
01/10/23	Spot On Acct. #2777	Mma ...7365 Transaction#: 16257898800	\$172,500.00	Y	N
01/18/23	Spot On Acct. #2777	Mma . 7365 Transaction* 16322177441	\$194,500.00	Y	N
01/26/23	Spot On Acct. #2777	Mma ...9789 Transaction* 16381304343	\$350,000.00	Y	N
02/02/23	Spot On Acct. #2777	Mma ...7365 Transaction* 16446551217	\$50,000.00	Y	N
02/02/23	Spot On Acct. #2777	Mma ...7365 Transaction* 16448110584	\$45,000.00	Y	N
02/02/23	Spot On Acct. #2777	Mma ...9789 Transactionk 16446523528	\$150,000.00	Y	N
02/02/23	Spot On Acct. #2777	Mma _7365 Transaction*. 16446594384	\$50,000.00	Y	N
02/16/23	Spot On Acct. #2777	Mma . 7365 Transaction* 16595301360	\$15,000.00	Y	N
03/06/23	Spot On Acct. #2777	Mma ...7365 Transaction* 16759957524	\$29,000.00	Y	N
03/06/23	Spot On Acct. #2777	Mma ...7365 Transaction*. 16759958667	\$20,000.00	Y	N
03/06/23	Spot On Acct. #2777	Mma .7365 Transaction*: 16739005837	\$20,000.00	Y	N
		Total	\$1,096,000.00		

Date	Account	Payee	Amount	90 Day Transfer	Post-Petition Transfer
01/05/23	Spot On Acct. #7662	Mma 7365 Transaction4 16214786541	\$30,000.00	Y	N
1/20/2023	Spot On Acct. #7662	Mma ...7365 Transaction#.br/>16341391058	\$9,454.00	Y	N
01/27/23	Spot On Acct. #7662	Mma ...7365 Transaction# 16395789180	\$12,320.00	Y	N
2/3/2023	Spot On Acct. #7662	Mma ...7365 Transaction#:br/>16465327635	\$8,250.00	Y	N
2/10/2023	Spot On Acct. #7662	Mma . 7365 Transaction# 16537518033	\$10,000.00	Y	N
2/16/2023	Spot On Acct. #7662	Mma ...7365 Transaction#.br/>16598056268	\$3,050.00	Y	N
2/24/2023	Spot On Acct. #7662	Mma 7365 Transaction* 16667664800	\$20,000.00	Y	N
3/13/2023	Spot On Acct. #7662	Mma ...7365 Transaction# 16815523043	\$7,275.00	Y	N
		Total	\$100,349.00		

EXHIBIT 3



24 MONTH PLAN WITH PAYMENTS

Lender: SPOT ON INVESTMENTS/ERIC MARTINSON

Contact Person: Spot On Investments

Corp: _____ LLC: _____ Sole Prop: _____ Partnership: _____

Other: _____ Address: 1560 AMBERSWEET ST., CORONA, CA 92881

Phone: 714-624-4446 Email: e04j04m04@gmail.com

Amount: 50,000.00

**NO BUSINESS RELATIONSHIP CAN COMMENCE BEFORE
LITIGATION PRACTICE GROUP IS IN RECEIPT OF THE FOLLOWING**

LENDER CHECKLIST

- Lender Agreement – signed & returned
- W-9- with EIN/ SSN
- Direct deposit form / Copy of voided Check



Referred By: ERT



www.LPGLaw.com



(949) 229-6262



(949) 315-4332



Exhibit 3
17542 E 17th Street
Suite 100
Tustin, CA 92780
Page 41



LOAN / LENDER AGREEMENT

This agreement is made and entered into between SPOT ON INVESTMENTS ("Lender") and Litigation Practice Group. ("LPG") as of the date last signed below. Lender and LPG may be jointly referred to herein as the "Parties." LPG may also be referred to herein as the "Borrower".

ARTICLE 1 (TERM OF CONTRACT)

This agreement is for a total of 24 to 25 Months.

ARTICLE II (BREAKDOWN OF LOAN)

On this day SPOT ON INVESTMENTS Lender is agreeing to loan LPG the following sum:
\$ 50,000.00

This amount will be held for a Total of 24 Months. Initial loan will be paid back to Lender in Full on Month 24 and LPG has option to pay on Month 25 with an additional 10% interest.

Borrower promises to pay back initial funds within 24 to 25 Months from today. Borrower promises to pay back FULL amount of loan PLUS an additional 10% in interest per month. Borrower promises to pay back to Lender the Total Sum of
\$ 170,000.00

ARTICLE III (REPAYMENT)

Borrower will pay back in the following manner. Borrower will repay the amount of this note in 24 equal continuous monthly installments of \$ 5,000.00 each on the day of each month preliminary on the 3RD day of FEBRUARY 2023 and ending on JANUARY 2025.

Final balance (initial loan) \$ 50,000.00 will be paid back in Full on Month 24 to 25 in thus completing the Contract.



ARTICLE IV (LATE CHARGE & PENALTY FOR EARLY WITHDRAWAL)

Late Charge. Any payment not remunerated within Ten (10) days of its due date shall be subject to a belatedly charge of 5% of the monthly payment.

There will be a 25% fee required from initial capital for early withdrawal. All requests must be submitted in writing to LPG:

17542 E. 17th Street

Tustin, CA 92870

Early withdrawals will be paid within 15 days of submitted request.

ARTICLE V (ARBITRATION)

Section 6.01. Binding Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement or the business relationship of the Parties, its enforcement, arbitrability or interpretation, or because of an alleged breach, default, or misrepresentation in connection with any of the foregoing, including any alleged violation of statute, common law or public policy shall be submitted to final and binding arbitration before JAMS to be held in Orange County California before a single arbitrator, in accordance with the then-current JAMS rules and the Federal Arbitration Act, as modified by the terms and conditions contained in this paragraph. A copy of the James rules are available online (www.jamsadr.com). By initialing below, Lender agrees to waive all rights to a jury trial and waives the right to pursue any class or representative claims to the maximum extent allowed by law. To the extent a class or representative claim may not be waived, the Lender agrees to stay any such claims until after all claims subject to arbitration are fully resolved. The arbitrator shall be selected by mutual agreement of the parties or, if the parties cannot agree, then by striking from a list of arbitrators supplied by JAMS. The arbitrator shall issue a written opinion stating the essential findings and conclusions on which the arbitrator's award is based. LPG will pay the arbitrator's fees and arbitration expenses and any other costs unique to the arbitration hearing (recognizing that each side bears its own deposition, witness, expert and attorney's fees and other expenses to the same extent as if the matter were being heard in court). If, however, any party prevails on a statutory claim that affords the prevailing party attorneys' fees and costs, then the arbitrator may award reasonable attorneys' fees and costs to the prevailing party. Any dispute as to who is a prevailing party and/or the reasonableness of any fee or costs shall be resolved by the arbitrator. JAMS can be reached at 949.224.1810 or www.jamsadr.com.

This Agreement to arbitrate is freely negotiated between Lender and LPG and is mutually entered into between the parties. Each party fully understands and agrees that they are giving up certain rights otherwise afforded to them by civil court actions, including but not limited to the right to a jury trial.



By initialing below, each person signing below acknowledges he or she has read this paragraph, understands it, wants the other side to be bound by it, and agrees to be bound by it.

Don

(initials)

Borrower

DS

SCH

(initials)

Lender

ARTICLE VI (MISCELLANEOUS)

Entire Agreement. The parties hereto agree that this contract contains the entirety of the agreements of the parties with respect to the subject matter hereof and that there are no other agreements oral or otherwise nor shall any amendments be permitted except by writing signed by all parties.

Place of Law and Venue. The parties agree that any action brought or maintained to enforce or interpret this agreement shall be in accordance with the laws of the State of California and venue for any such shall be in the County of Orange, State of California.

Requirement of Mediation before Arbitration. The parties agree that in the event a dispute arises between the Parties with respect to the relationship contemplated by this Agreement, the Parties shall engage in a full day of mediation prior to filing any petition or complaint for relief with any administrative office, court or arbitrator. Failure to do so shall deprive an offending party of any right it may have had to recover costs or attorney's fees in any proceeding.

Authority. Each person who signs below on behalf of an entity or any other person represents that he/she has been expressly given authority to do so.

SEND WIRE TRANSFER TO The Litigation Practice Group

Bank Name:

Chase Bank

Routing:

322271627

Account Number:

2777

Address:

17542 E 17th Street Suite 100
Tustin, CA 92780

Name:

Litigation Practice Group



Litigation Practice Group:

01/20/2023

Signature

Date

Dan March, Managing Shareholder

Printed Name



LENDER:

DocuSigned by:

01/20/2023

Signature

Date

Spot On Investments

Printed Name

701202023

Batch #:

Contract is being executed via Spot On Consulting. Spot On is the administrative liaison / servicing company that works on behalf of both Lender and Borrower.



www.LPGLaw.com



(949) 229-6262



(949) 315-4332



Exhibit 3
17542 E 17th Street
Suite 100
Tustin, CA 92780
Page 45



Spot On Consulting

Direct Deposit Authorization

Instructions

This document must be signed by the person requesting automatic deposit of dividends and retained on file by the institute. A voided check must be attached for the account to help verify their account numbers and bank routing numbers.

Account 1

Account 1 type: Checking Savings

Bank routing number (ABA number): 009897

Account number: [REDACTED] 7999

attach a voided check for each account here

Authorization (enter your company name in the blank space below)

This authorizes The Litigation Practice Group (the "Company") to send credit entries (and appropriate debit and adjustment entries), electronically or by any other commercially accepted method, to my (our) account(s) indicated below and to other accounts I (we) identify in the future (the "Account"). This authorizes the financial institution holding the Account to post all such entries. I agree that the ACH transactions authorized herein shall comply with all applicable U.S. Law. This authorization will be in effect until the Company receives a written termination notice from myself and has a reasonable opportunity to act on it.

Authorized signature: Spot On Investments
Print name: Spot On Investments

DocuSigned by:

0081CB8A03954B8...

Date: 01/20/2023

Exhibit 3

Page 46

EXHIBIT 4

Date	Account	Description	Amount	90 Day Transfer	Post-Petition Transfer
8/26/22	Spot On Acct No. #7662	Eric Martinson/Spot OnEmspoton (_ #####8637)	\$6,496.00	N	N
9/2/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,860.00	N	N
9/12/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$6,330.00	N	N
09/16/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$6,513.33	N	N
09/28/22	Spot On Acct No. #7662	Emspoton (J044/8637)	\$5,000.00	N	N
09/29/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$19,717.00	N	N
10/6/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$8,460.00	N	N
10/26/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	N	N
11/1/22	Spot On Acct No. #7662	Emspoton (_ #44148637)	\$5,000.00	N	N
11/1/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	N	N
11/3/22	Spot On Acct No. #7662	Emspoton (_ #14448637)	\$19,200.00	N	N

Date	Account	Description	Amount	90 Day Transfer	Post-Petition Transfer
11/09/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$23,000.00	N	N
11/15/22	Spot On Acct No. #7662	Emspoton (_ ####f#48637)	\$10,000.00	N	N
11/25/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$17,141.00	N	N
11/30/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$1,000.00	N	N
12/2/22	Spot On Acct No. #7662	Emspoton (_ ###448637)	\$3,500.00	N	N
12/2/22	Spot On Acct No. #7662	Emspoton (_ ##4448637)	\$6,200.00	N	N
12/29/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$7,500.00	Y	N
12/29/22	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	Y	N
1/11/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$7,000.00	Y	N
1/12/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$13,000.00	Y	N
1/17/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$10,000.00	Y	N

Date	Account	Description	Amount	90 Day Transfer	Post-Petition Transfer
1/24/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$18,641.00	Y	N
1/26/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	Y	N
2/1/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$7,500.00	Y	N
2/1/23	Spot On Acct No. #7662	Emspoton (_ #ff###8637)	\$5,000.00	Y	N
2/2/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	Y	N
2/3/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$19,200.00	Y	N
2/9/23	Spot On Acct No. #7662	Emspoton (_ ffl###8637)	\$5,000.00	Y	N
2/10/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$23,000.00	Y	N
2/10/23	Spot On Acct No. #7662	Emspoton (J044148637)	\$7,000.00	Y	N
2/15/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$20,000.00	Y	N
2/16/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$10,000.00	Y	N

Date	Account	Description	Amount	90 Day Transfer	Post-Petition Transfer
2/23/23	Spot On Acct No. #7662	Emspoton (_ #4048637)	\$18,641.00	Y	N
2/27/23	Spot On Acct No. #7662	Emspoton (_ 1104O8637)	\$5,000.00	Y	N
03/01/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$57,500.00	Y	N
3/1/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	Y	N
3/2/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	Y	N
3/6/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$19,200.00	Y	N
03/09/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$5,000.00	Y	N
3/13/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$23,000.00	Y	N
3/13/23	Spot On Acct No. #7662	Emspoton (_ #####8637)	\$7,000.00	Y	N
		Total	\$466,599.33		

Jesse Martinson Payments					
Date	Account	Description	Amount	90 Day Transfer	Post-Petition Transfer
03/09	Spot On Acct No. #2777	Jessemartinson (_if***5415)	\$5,000.00	Y	N
03/16	Spot On Acct No. #2777	Jessemartinson (_44445415)	\$5,000.00	Y	N
03/23	Spot On Acct No. #2777	Jessemartinson (_****5415)	\$5,000.00	N	Y
03/30	Spot On Acct No. #2777	Jessemartinson (_#*##5415)	\$5,000.00	N	Y
Date	Account	Description	Amount	90 Day Transfer	Post-Petition Transfer
2/16/2023	Spot On Acct No. #7662	Jessemarlinson (_#####5415)	\$15,000.00	Y	N
3/17/2023	Spot On Acct No. #7662	Jessemartinson (_#####5415)	\$15,000.00	Y	N
3/30/23	Spot On Acct No. #7662	Jessemartinson (_#44145415)	\$100,000.00	N	Y
		Total	\$150,000.00		

EXHIBIT 5

DOC # 2022-0381490

09/01/2022 04:26 PM Fees: \$17.00

Page 1 of 2

Recorded in Official Records

County of Riverside

Peter Aldana

Assessor-County Clerk-Recorder

RECORDED AT THE REQUEST OF
CHICAGO TITLE - INLAND EMPIRE

RECORDING REQUESTED BY:

Emerald Escrow, Inc.

Order No. 7102210425

Escrow No. 82529

Parcel No. 108-553-005

AND WHEN RECORDED MAIL TO:

ERIC MARTINSON
1560 AMBERSWEET STREET
CORONA, CA 92881**This document was electronically submitted
to the County of Riverside for recording**

Received by: TERESA #134

TRA 004-080

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$1,375.00 and CITY \$

computed on full value of property conveyed, or
 computed on full value less liens or encumbrances remaining at the time of sale.
 unincorporated area: Corona, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Suad Al Shekhli, a Married Woman as her sole and separate property

hereby GRANT(S) to Eric Martinson, a widower and Betty Jo Martinson, a widow, as
Joint Tenants

the following described real property in the County of Riverside, State of California:

See Exhibit "A" Attached Hereto and Made A Part Of.

More commonly known as: 1560 Ambersweet Street, Corona, CA 92881

Date August 5, 2022*[Signature]*

Suad Al Shekhli

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF Riverside

} S.S.

On August 5, 2022, before me, Emily Bahos, Notary Public, personally appeared Suad Al Shekhli who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

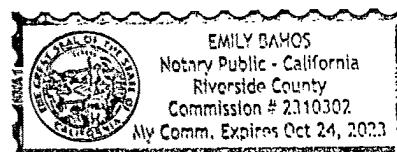
Signature *Emily Bahos* (Seal)

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s): 108-553-005

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS: LOT 47, OF TRACT 25469 AS SHOWN BY MAP ON FILE IN BOOK 304, PAGES 11 TO 18 INCLUSIVE OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING ALL MINERALS, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET WITHOUT THE RIGHT OF SURFACE ENTRY AS RESERVED BY CORPORATION OF THE PRESIDENT OF THE SAN BERNARDINO STAKE OF THE CHURCH OF JESUS CHRIST OF LATTER DAY SAINTS, A CORPORATION SOLE, IN DOCUMENT RECORDED SEPTEMBER 22, 1983 AS INSTRUMENT NO. 83-194547 OF OFFICIAL RECORDS.

EXHIBIT 6

Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
Chase	LPG; Alex Tarkoff	[REDACTED] 0935	6/17/2022	6/13/2022		30,000.00	IN *SPOT ON CONSULTING, I 714-62'1446 CA P.O.S.: 4 SALES TAX: 0.00
Chase	The Litigation Practice Group PC	[REDACTED] 3158	7/31/2022	7/13/2022	1248	6,448.85	
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	7/29/2022	7/19/2022		30,000.00	IN *SPOT ON CONSULTING, I 714-6244446 CA P.O.S.: 7 SALES TAX: 0.00
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	8/12/2022	8/1/2022		10,897.28	IN *SPOT ON CONSULTING, 714-62146 CA P.O.S.: 63 SALES TAX: 0.00
							Orig CO Name:Spot On Consult Orig ID:9215986202 Desc Date:220813 CO Entry Descr:Sale Sec:CCD
Chase	The Litigation Practice Group PC	[REDACTED] 3158	8/31/2022	8/15/2022		23,900.00	Trace#:021000028069548 Eed:220815 md ID: md Name:The Litigation Practic Tm: 2278069548Tc
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	8/26/2022	8/16/2022		93,000.00	IN *SPOT ON CONSULTING, I 714-62'1446 CA P.O.S.: 81 SALES TAX: 0.00
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	8/26/2022	8/16/2022		99,000.00	IN *SPOT ON CONSULTING, I 714-62146 CA P.O.S.: 79 SALES TA(): 0.00
Chase	LPG; Alex Tarkoff	[REDACTED] 0935	8/26/2022	8/16/2022		80,000.00	IN *SPOT ON CONSULTING, I 714-62146 CA P.O.S.: 80 SALES TAX: 0.00
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	9/9/2022	8/30/2022		93,000.00	IN *SPOT ON CONSULTING, I 714-62'1'146 CA P.O.S.: 82 SALES TAX: 0.00
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	9/23/2022	9/14/2022		42,300.00	SQ *SPOT ON CONSULTING IN GOSQ.COM CA P.O.S.: 00011529215118981 SALES TAX: 0.00
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	9/23/2022	9/19/2022		39,440.00	SQ *SPOT ON CONSULTING IN GOSQ.COM CA P.O.S.: 00011529215119104 SALES TAX: 0.00
							Book Transfer Debit A/C: Spot On Consulting, Inc Corona CA 92881-0722 US Ret: mv 1050 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	9/30/2022	9/21/2022		21,200.00	4978500264Jo
Chase	LPG; Alex Tarkoff	[REDACTED] 0935	10/7/2022	9/26/2022		5,370.00	SQ *SPOT ON CONSULTING IN GOSQ.COM CA P.O.S.: 00011529215119470 SALES TAX: 0.00
							Book Transfer Debit NC: Spot On Consulting, Inc Corona CA 92881-0722 US Ref: Inv 1051 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	9/30/2022	9/28/2022		52,280.00	3364100271Jo
Chase	LPG VC; Alex Tarkoff	[REDACTED] 6652	10/7/2022	10/3/2022		48,508.00	SQ *S POT ON CONSULTING IN GOSQ.COM CA P.O.S.: 00011529215119724 SALES TAX: 0.00
							Book Transfer Debit A/C: Spot On Consulting, Inc Corona CA 92881 -0722 US Ref: Invoice 1052 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	10/31/2022	10/4/2022		33,040.00	5i82000277jo
Chase	The Litigation Practice Group PC	[REDACTED] 3158	10/31/2022	10/11/2022		25,240.00	Book Transfer Debit A/C: Spot On Consulting, Inc Corona CA 92881-0722 US Ref: InvIO53Trn: 1625600283Jo
							Book Transfer Debit A/C: Spot On Consulting, Inc Corona CA 92881-0722 US Ref: nv 1058 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	10/31/2022	10/25/2022		21,200.00	4243400298Jo
Chase	The Litigation Practice Group PC	[REDACTED] 3158	10/31/2022	10/26/2022		58,120.00	Book Transfer Debit A/C: Spot On Consulting, Inc Corona CA 92881 -0722 US Tm: 3463200299Jo
							Book Transfer Debit NC: Spot On Consulting, Inc Corona CA 92881 -0722 US Ref mv 1062 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/2/2022		25,240.00	3865500306Jo
							Book Transfer Debit A'C: Spot On Donsulting, Inc Dorona GA 92881 -0722 US Ret mv 1063 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/2/2022		52,280.00	3665400306,Jo
							Book Transfer Debit NC: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret. mv 1056 Tm: 4541
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/2/2022		70,960.00	800306jo
							Book Transfer Debh NC: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret Inc 1061 Tm: 5431 00031
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/8/2022		33,040.00	2,Jo
							Book Transfer Debit NC: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret: Inv IOGO Tm: 541 060031
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/8/2022		76,868.78	2Jo
							Book Trenerster Debit NC: Spot On Consulting, mo Corone CA 92851-0722 US Ret Inc 1063 Tm: 698190031
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/15/2022		99,170.00	9Jo
							Book Trancter Debit NC: Spot On Consulting, Ino Corona CA 92861 -0722 US Ref Inc 1069 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 63158	11/30/2022	11/30/2022		52,280.00	5815700334Jo
							Book Trancter Debit NC: Spot On Consulting, mo Corona CA 92861 -0722 US Ref Inc 1068 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	11/30/2022	11/30/2022		124,818.11	5806700334Jo
							Book Trancter Debit NC: Spot On Consulting, Inc Corona CA 92881-0722 US Ref Inc 1070 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/2/2022		70,960.00	7246600336Jo
							Book Transter Debit NC: Spot On Consulting, Inc Corona CA 92881 -0722 US Ref mv 1076 Tm: 3541 700341
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/7/2022		53,550.00	Jo
							Book Transter Debit NO: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret nv 1072 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/9/2022		33,040.00	3655400343,Jo
							Book Trener Debit NO: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret. nv 1071 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/9/2022		58,870.00	3655500343Jo
							Book Tranter Debit NO: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret nv 1073 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/9/2022		76,868.78	3655600343Jo
							Book Transfer Debit A/C: Spot On Consulting, Inc Corona CA 92861 -0722 US Ref Inv 1075 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/14/2022		25,240.00	498D500348Jo
							Book Transfer Debit 4/C: Spot On Consulting, Inc Corona CA 92881 -0722 US Ret. Inv 1074 Tm:
Chase	The Litigation Practice Group PC	[REDACTED] 3158	12/31/2022	12/14/2022		64,000.00	4980700348Jo

Bank Name	Account Name	Account Number	Statement Date	Transaction Date	Check Number	Debit/Charge	Memo
Chase	The Litigation Practice Group PC	[REDACTED]3158	12/31/2022	12/15/2022		99,170.00	Book Transfer Debit NC: Spot On Consulting, Inc Corona CA 92881-0722 US Ret. Inv 1076-2 Tm: 501 3000349Jo
Chase	The Litigation Practice Group PC	[REDACTED]3158	12/31/2022	12/22/2022		11,479.84	Rook Trancter Cebit NC: Spot On Consulting, Inc Corona CA 92881-0722 US Ret mv 1078 - Partial Payment Tm: 8037600356Jc
Chase	The Litigation Practice Group PC	[REDACTED]3158	12/31/2022	12/22/2022		102,920.00	Rook Trancter Debit A'S: Spot On Consulting, Inc Corona CA 92001 -0722 US Ret mv 1077, 1079, 1080 Irm: 698D600356Jo
Chase	The Litigation Practice Group PC	[REDACTED]3133	12/31/2022	12/23/2022		48,981.16	Book Trenster Debit NC: Spot On Consulting, Inc Corona CA 92681-0722 US Ret. Inv 1078 Tm: 3505400357Jo
Bank of America	Litigation Practice Group PC	[REDACTED]6457	12/31/2022	12/23/2022		10,000.00	WIRE TYPE:WIRE OUT DATE221223 TIME:0456 ETTRN:202212200569036 SERVICE REF004861 BNF:SPOT ON CONSULTING ID:860007662 BNF BK:JPMORGAN CHASE BANK, NA ID322271 627 PMT DET:PSGXNY4B3
Bank of America	Litigation Practice Group PC	[REDACTED]6457	1/31/2023	1/5/2023		76,868.78	WIRE TYPE:WIRE OUT DATE:230105 TIME:1 219 ETTRN:2023010500359904 SERVICE REFO1 0062 BNF:SPOT ON CONSULTING, INC ID:860007662 BNF BKJP MORGAN CHASE BANK, NA 1D322271 627 PMT
Bank of America	Litigation Practice Group PC	[REDACTED]6457	1/31/2023	1/5/2023		155,574.00	DET:GWHQDVAl P O Other memo: mv. 1085 / 1086//i 087 WIRE TYPE:WIRE OUT DATE230111 TIME1 459 ET TRN2023011100413261 SERVICE REF:O12485 BNF:SPOTON CONSULTING, INC ID:860007662 BNF BKJP MORGAN CHASE BANK, NA ID:322271 627 PMT
Bank of America	Litigation Practice Group PC	[REDACTED]6457	1/31/2023	1/11/2023		99,170.00	DET:421 102582 INV 1091
Bank of America	Litigation Practice Group PC	[REDACTED]6457	1/31/2023	1/12/2023		25,240.00	TRANSFER LITIGATION PRACTICE :Spot On Consulting, Confirmation# 2852664893
Bank of America	Litigation Practice Group PC	[REDACTED]6457	1/31/2023	1/12/2023		64,000.00	TRANSFER LITIGATION PRACTICE :Spot On Consulting, Confirmation# 2855278989
2,423,533.58							

Adversary Cover Sheet

B1040 (FORM 1040) (12/24)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS Richard A. Marshack, Trustee of the LPG Liquidation Trust		DEFENDANTS Spot On Consulting, Inc., a California corporation; Eric Martinson, a California resident; Jesse Martinson, a California resident, and Rachel Elgas, a Missouri resident
ATTORNEYS (Firm Name, Address, and Telephone No.) Yosina M. Lissebeck (SBN 201654) Tyler Powell (Ky. Bar No. 90520) (<i>Admitted pro hac vice</i>) DINSMORE & SHOHL LLP 655 West Broadway, Suite 800 San Diego, CA 92101 Telephone (619) 400-0500 yosina.lissebeck@dinsmore.com tyler.powell@dinsmore.com		ATTORNEYS (If Known)
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee		PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) (1) Avoidance, Recovery, and Preservation of Preferential Transfers Made to or for the Benefit of Defendants within Ninety Days of the Petition Date; (2) Avoidance, Recovery, and Preservation of Post-Petition Transfers Made to or for the Benefit of Defendants after the Petition Date; (3) Avoidance, Recovery, and Preservation of Transfers 2-Year Actual Fraudulent Transfers; (4) Avoidance, Recovery, and Preservation of 2-Year Constructive Fraudulent Transfers; (5) Avoidance, Preservation and Recovery of Voidable Transfers Made with Intent to Defraud; (6) Avoidance, Preservation, and Recovery of Voidable Transfers Made with no Intent to Defraud; and (7) Aiding and Abetting		
NATURE OF SUIT		
(Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(a) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other		
FRBP 7001(b) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property		
FRBP 7001(c) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h)		
FRBP 7001(d) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e)		
FRBP 7001(e) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation		
FRBP 7001(f) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny		
(continued next column)		
<input type="checkbox"/> Check if this case involves a substantive issue of state law <input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23		
<input type="checkbox"/> Check if a jury trial is demanded in complaint Demand \$ 3M+		
Other Relief Sought Aiding & Abetting		

B1040 (FORM 1040) (12/24)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR The Litigation Practice Group P.C.	BANKRUPTCY CASE NO. 8:23-bk-10571-SC	
DISTRICT IN WHICH CASE IS PENDING Central District of California	DIVISION OFFICE Santa Ana	NAME OF JUDGE Scott C. Clarkson
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) /s/ Tyler Powell		
DATE March 18, 2025	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Yosina M. Lissebeck Tyler Powell (admitted pro hac vice) Special Counsel to Richard A. Marshack, Trustee of the LPG Liquidation Trust	

INSTRUCTIONS

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.